

Converted Sick Leave

December 1, 2006

Q. How does Converted Sick Leave work?

- A. An employee becomes eligible to begin accruing converted sick leave once he/she has a balance of 144 sick leave hours at the beginning of the first pay period of a calendar year. During that calendar year, a full-time employee will accrue an additional 104 hours of sick leave, 40 of which may be transferred to converted sick leave at the end of the year if not used as sick leave. Sick leave hours the employee takes during that year will be deducted from those 40 hours first. If any of the 40 hours are remaining at the end of the year, those hours will automatically transfer to converted sick leave. Therefore, there is a delay of one year from when an employee is eligible for the converted sick leave and when it becomes available to the employee to use as converted sick leave. The actual conversion of hours occurs within one of the first three pay periods of the next calendar year.

Example: At the beginning of 2005, an employee has a balance of 144 sick leave hours. During 2005 the employee accrues an additional 104 hours of sick leave, 40 of which are available for converted sick leave. If, at the end of 2005, the employee has not used any sick leave that year, the full 40 hours will transfer to converted sick leave. However, if the employee uses 8 hours sick leave, it is deducted from the eligible 40 hours and only 32 hours will transfer to converted sick leave. The employee will see the conversion during one of the first three pay periods of 2006.

Q. Are Program I and Program II sick leave hours included in the converted sick leave eligibility?

- A. Yes, you must have a combined total of 144 sick leave hours at the beginning of the first pay period of a calendar year in order to be eligible for converted sick leave. For example, if you have 100 Program I sick leave hours and 44 Program II sick leave hours in January 2007, then you are eligible to convert up to 40 hours as of January 2008.

Q. Is it true that converted sick leave is going away?

- A. Yes, effective January 1, 2014, the converted sick leave program ends. At this time, any converted sick leave that has been earned will remain in place until the employee uses it, terminates employment, or retires. Upon termination, converted sick leave is still paid out to employees. After January 1, 2014, employees will no longer be able to convert sick leave.

Q. Is there a limit to the number of converted sick leave hours I can accrue?

- A. There is a maximum of 320 hours an employee can accrue. If you have over that amount at the end of the last pay period of a calendar year, eligible sick leave hours will automatically convert to annual leave rather than converted sick leave.

Q. Can I accrue 320 hours in both Program I and Program II?

A. No, you can only accrue a combined total of 320 hours of converted sick leave. For example, if you have 250 hours of converted sick leave in Program I, you can only convert an additional 70 hours in Program II.

Q. What happens if I don't want eligible hours to transfer to converted sick leave (or to annual leave if I have reached the maximum of 320 hours converted sick leave)?

A. Employees have two options for "opting out" of the sick leave conversion process:

1. Employees may notify their payroll representative before the end of each year. The payroll representative will then submit the employee's name and EIN to State Finance to have the employee removed from the conversion process.
2. All employees, who are eligible to convert sick leave, will be included in the conversion process unless their name and EIN is submitted to State Finance prior to the year end processing. Once leave year end processing occurs, employees who did not wish to convert sick leave may have the hours returned to their sick leave account by notifying the payroll representative no later than the end of February. For example, if you wish to convert 20 hours and keep 20 hours in sick leave, or any other combination, you may do so by first allowing the conversion to occur and then notifying your agency payroll/human resource technician of your desire to have all or some of the hours returned to your sick leave account.

Q. What can I use converted sick leave for?

The accrued hours may be used as annual leave, regular sick leave, or used to pay for health insurance or medical expenses at the time of retirement. See the Frequently Asked Questions on Retirement or refer to DHRM Rules R477-5 for information on converted sick leave as it relates to retirement.

Q. Is converted sick leave paid out when I leave my employment with the State of Utah?

A. If you are retiring, 25% of your converted sick leave balances will be placed in your 401(k) (subject to IRS limits). The remaining converted sick leave will either be used to purchase health insurance (Program I) or placed in a Health Reimbursement Account (HRA) (Program II) to be used for medical expenses. See the Frequently Asked Questions on Retirement or refer to DHRM Rules R477-7-5 for information on converted sick leave as it relates to retirement.

For any other type of termination, converted sick leave is cashed out at the employee's current rate of pay. This cash out option is not available for retirees.